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TAX COMMISSIONER

Sales Tax Newsletter

March 2003
Volume 30
No. 1

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NEED ASSISTANCE?

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Cass County Sales Tax Ends March 31st

Cass County has repealed its local sales tax effective April 1, 2003. Retailers located in Cass County should no longer charge the ½ percent sales tax on sales made on or after April 1, 2003. The Cass County tax, which was a sales tax only (no use tax), applied to retail sales made by retailers located within the county.

In early March, the Office of State Tax Commissioner mailed a notice regarding the repeal and revised sales tax rate charts to all Cass County sales and use tax permit holders. The revised rate charts reflect the new combined state and local tax rates applicable to retail sales made on or after April 1, 2003. The notice and rate charts are also available on our website or through the mail upon request.

Williston Increases Local Sales Tax Rate

The city of Williston has increased its local sales and use tax rate from 1 to 2 percent effective April 1, 2003. The maximum tax per transaction (invoice) has also been increased from \$25 to \$50. No other provision of the city tax has changed.

The Office of State Tax Commissioner has mailed additional information to retailers with a Williston address. For a complete listing of local taxes imposed in North Dakota, see the *Local Option Taxes by Location* guideline on our web site. The guideline is also available by mail upon request. 🌱

Change In Business Address

If you change your business or trade name, your sales tax number does not have to be changed. However, if there is a change in the type of ownership, a new sales tax permit number must be obtained by completing and filing a new *Sales and Use Tax Permit Application*. For example, if you change from a proprietorship to a partnership or a corporation, this is a change in ownership that will require a new sales tax permit number.

Sales tax permits issued to a business can only be used by that business. Sales tax permits cannot be transferred to someone else or used by someone else. 🌱

Sales To Federal Employees

Sales, including the rental of hotel and motel accommodations, to federal employees are subject to sales tax unless the payment for such sales are made directly to the retailer by a government warrant, government check, or a federal credit card paid by the U.S. Government. If the federal employee is required to pay for the purchase of items or services generally regarded as taxable, and then is reimbursed by the U.S. Government for the purchase, the sale to the federal employee is subject to North Dakota sales tax.

Retailers should have a completed *Exemption Certificate for U.S. Government* on file to support those credit card purchases made by federal employees where payment to the credit card company will be paid directly by the federal government. This exemption form can be downloaded from our web site at **www.ndtaxdepartment.com** by clicking on Sales and Use Tax "forms." 🌱

Auctions

Auctioneers are responsible for the collection and payment of sales tax if they sell another retailer's resale inventory or when selling tangible personal property for an unknown or undisclosed person or principal. An auctioneer must also collect sales tax on the tangible personal property previously purchased by the auctioneer and then sold on the auctioneer's own behalf.

If an auctioneer sells tangible personal property owned by non-retailers and who are disclosed or identified prior to the auction sale, such as a household or farm auction, the sales are regarded as casual sales and will not be subject to sales tax. 🍀

Shipping & Handling Charges

When an additional charge is made for "shipping and handling" of goods that are subject to sales tax, the additional shipping and handling charge is regarded as part of the selling price and is also subject to sales tax. 🍀

Local Option Taxes - Billing Procedures

When applicable, retailers must charge a city or county sales tax when delivering tangible personal property to a customer at an address or zip code that is located in a city or county currently applying a local sales or use tax. However, should the customer provide written confirmation that the delivery address is located outside the city or county limits, the retailer should not collect the city or county sales tax.

Most local jurisdictions imposing a sales and use tax provide a maximum tax amount that can apply on any sales transactions. A sales transaction occurs when the customer is provided a billing, invoice, or other documentation that reflects the cost of the items being purchased. For details about all local taxes imposed in North Dakota, see our *Local Option Taxes by Location* guideline. 🍀

Business Tax Education Programs

The Office of State Tax Commissioner is again cooperating in education partnerships to provide workshops at minimum or no cost, which provides opportunities to business owners and employees to receive tax information. These programs include information on identifying taxable transactions, handling specific tax transactions and responsibility for collecting and reporting state and local sales and use taxes.

Taxation Workshop sponsored by the ND Small Business Development Center

(Class times are 8:00 a.m. – 4:30 p.m.)

Mandan 4/22/03 Best Western Seven Seas
2611 Old Red Trail

Fargo 4/23/03 Skills & Technology Training Center
1305 19th Ave N

To register for the workshop call SBDC at 1-800-445-7232 or e-mail ndsfdc@sage.und.nodak.edu

North Dakota/Minnesota Sales Tax Border Issue Workshops

Fargo, ND 5/13/2003 9:00 a.m. – 12:30 p.m.

The Border Issue Workshop is presented by representatives from both the North Dakota Office of State Tax Commissioner and Minnesota Department of Revenue. For more information or to register for this workshop, please call the Minnesota Department of Revenue at 1-651-297-4213. There is no cost to attend.

North Dakota/South Dakota Sales Tax Border Issue Workshop

Watertown, SD 5/14/2003 Sales Tax 9:00 a.m. – Noon
Contractors' tax 1:00 p.m. – 3:00 p.m.

The Border Issue Workshop is presented by representatives from both the North Dakota Office of State Tax Commissioner and South Dakota Department of Revenue. For more information or to register for this workshop, please call South Dakota Department of Revenue toll-free at 1-800-829-9188 or go to www.state.sd.us/revenue. There is no cost to attend. 🍀